
WORLD RICE SITUATION AND OUTLOOK

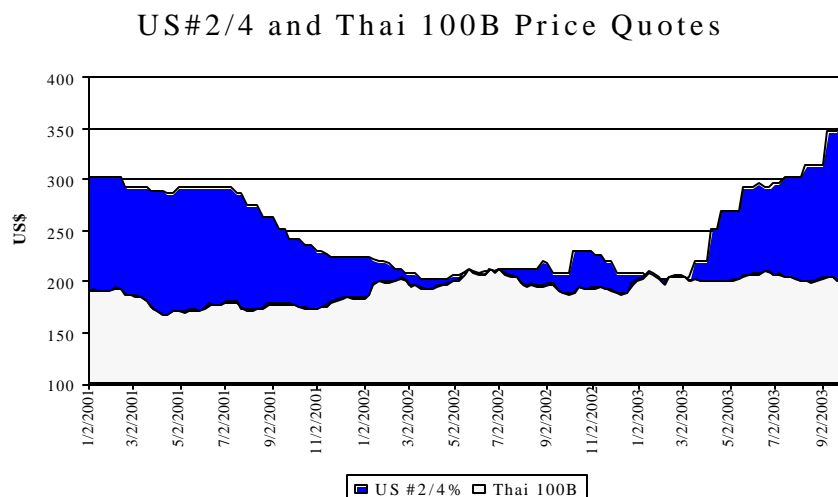
MONTHLY HIGHLIGHTS:

India Supply Situation: Despite a rebound in India's crop, exports are expected to drop in CY2004. Currently, supplies are below buffer levels, a major factor behind the government's decision to halt sales of Food Corporation of India (FCI) stocks causing prices to rise. However, it is expected that the government will continue to honor outstanding commitments to exporters, approximately 1.0 million tons. With anticipated smaller Indian exports and higher prices, global imports of low quality, low-priced rice will likely decline in CY2004. For example, imports by Africa – a top market for such rice - are forecast to drop about 7 percent year-to-year.

PRICES:

International: Export price quotes are a mixed bag this month. Thai price quotes fell \$4 in part due to the government's release of intervention stocks; Thai 100B is currently quoted at \$200 per ton (FOB). In contrast, Vietnamese price quotes rose \$5 again this month based on strong exports and tightening supplies; Viet 5% is currently quoted at \$189 per ton. In India, export price quotes have firmed as a result of larger domestic use and smaller stocks; Indian 5% is up \$2 for the month at \$197 per ton.

Domestic: Despite new crop supplies, U.S. rice prices have strengthened since last month. U.S. #2/4 southern long grain milled rice is quoted at \$357 per ton (FOB), up \$11 and approximately \$150 higher than quotes for similar Asian qualities (see graph). Price quotes for U.S. #1/4 medium grain milled rice from California are unchanged from last month at \$490 per ton (bulk, ex-spout Sacramento).



TRADE CHANGES IN 2004

Selected Exporters

- **Thailand** down 250,000 tons to 8.0 million due to smaller demand from Middle East markets.
- **India** down 250,000 tons to 3.0 million based on a sharp decline in government rice stocks combined with a smaller production forecast.

Selected Importers

- **Iran** down 250,000 tons to 1.25 million tons based on adequate domestic supplies.

TRADE CHANGES IN 2003

Selected Exporters

- **Thailand** down 250,000 tons to 7.5 million based on pace to date.

Selected Importers

- **Indonesia** down 250,000 tons to 3.25 million based on pace to date.
- **Iraq** down 100,000 tons to 800,000 based on lower rice consumption and increased wheat consumption.
- **Saudi Arabia** up 100,000 tons to 1.05 million based on pace to date.

Download the rice tables in:

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